



BILLING CODE: 4810-02

DEPARTMENT OF THE TREASURY

Financial Crimes Enforcement Network

Proposed Renewal Without Change; Comment Request; Customer Identification Programs For Various Financial Institutions

AGENCY: Financial Crimes Enforcement Network (FinCEN).

ACTION: Notice and request for comments.

SUMMARY: As part of its continuing effort to reduce paperwork and respondent burden, FinCEN invites comment on a proposed renewal, without change, to information collections found in regulations requiring futures commission merchants, introducing brokers, banks, savings associations, credit unions, certain non-federally regulated banks, mutual funds, and broker-dealers, to develop and implement customer identification programs reasonably designed to prevent those financial institutions from being used to facilitate money laundering and the financing of terrorist activities. This request for comment is being made pursuant to the Paperwork Reduction Act of 1995, Public Law 104-13, 44 U.S.C. 3506(c)(2)(A).

DATES: Written comments are welcome and must be received on or before [INSERT DATE 60 DAYS AFTER THE DATE OF PUBLICATION OF THIS DOCUMENT IN THE FEDERAL REGISTER.]

ADDRESSES: Written comments should be submitted to: Regulatory Policy and Programs Division, Financial Crimes Enforcement Network, Department of the Treasury, P.O. Box 39, Vienna, VA 22183, Attention: Customer Identification Program Comments. Comments also may be submitted by electronic mail to the following Internet address:

regcomments@fincen.gov, again with a caption, in the body of the text, “Attention: Customer Identification Program Comments.”

Inspection of comments: Comments may be inspected, between 10 a.m. and 4 p.m., in the FinCEN reading room in Vienna, VA. Persons wishing to inspect the comments submitted must request an appointment with the Disclosure Officer by telephoning (703) 905-5034 (Not a toll free call).

FOR FURTHER INFORMATION CONTACT: The Regulatory Policy and Programs Division at 800-949-2732 option 6.

SUPPLEMENTARY INFORMATION:

Abstract: FinCEN exercises regulatory functions primarily under the Currency and Financial Transactions Reporting Act of 1970, as amended by the USA PATRIOT Act of 2001 and other legislation. This legislative framework is commonly referred to as the “Bank Secrecy Act” (“BSA”).¹ The Secretary of the Treasury has delegated to the Director of FinCEN the authority to implement, administer and enforce compliance with the BSA and associated regulations.² Pursuant to this authority, FinCEN may issue regulations requiring financial institutions to keep records and file reports that “have a high degree of usefulness in criminal, tax, or regulatory investigations or proceedings, or in the conduct of intelligence or counterintelligence activities, including analysis, to protect against international terrorism”³ Additionally, FinCEN is authorized to impose regulations to maintain procedures to ensure compliance with the BSA and FinCEN’s implementing regulations, or to guard against

¹The BSA is codified at 12 U.S.C. 1829b, 12 U.S.C. 1951–1959, 31 U.S.C. 5311–5314 and 5316–5332 and notes thereto, with implementing regulations at 31 CFR Chapter X. See 31 CFR 1010.100(e).

² Treasury Order 180-01 (Sept. 26, 2002).

³ 31 U.S.C. 5311

money laundering, which includes imposing anti-money laundering (“AML”) program requirements on financial institutions.⁴

Section 5318(l) of the Bank Secrecy Act authorizes FinCEN to issue regulations prescribing customer identification programs for financial institutions. The regulations must require that, at a minimum, financial institutions implement reasonable procedures for (1) verifying the identity of any person seeking to open an account, to the extent reasonable and practicable; (2) maintaining records of the information used to verify the person’s identity, including name, address, and other identifying information; and (3) determining whether the person appears on any lists of known or suspected terrorists or terrorist organizations provided to the financial institution by any government agency. The regulations are to take into consideration the various types of accounts maintained by various types of financial institutions, the various methods of opening accounts, and the various types of identifying information available. Regulations implementing section 5318(l) are found at 31 CFR 1020.220, 1023.220, 1026.220, and 1024.220.

1. Title: Customer identification programs for banks, savings associations, credit unions, and certain non-federally regulated banks. (31 CFR 1020.220).

Office of Management and Budget Control Number (OMB): 1506-0026.

Abstract: Banks, savings associations, credit unions, and certain non-federally regulated banks are required to develop and maintain customer identification programs and provide their customers with notice of the programs. (See FR 68, 25090, May 9, 2003).

Current Action: There is no change to existing regulations.

Type of Review: Extension of a currently approved information collection.

Affected Public: Business and other for profit institutions and non-profit institutions.

⁴ 31 U.S.C. 5318(a) and (h).

Burden: Estimated Number of Respondents 22,060.

Estimated average annual recordkeeping burden per respondent: 10 hours.

Estimated average annual disclosure burden per respondent: 1 hour.

Estimated Total Annual Respondent Burden: 242,660 hours.

2. Title: Customer identification program for broker-dealers (31 CFR 1023.220).

OMB Control Number: 1506-0034.

Abstract: Broker-dealers are required to establish and maintain customer identification programs and provide their customers with notice of the programs. (See FR 68, 25113, May 9, 2003).

Current Action: There is no change to existing regulations.

Type of Review: Extension of a currently approved information collection.

Affected Public: Business and other for profit institutions.

Burden: Estimated Number of Respondents 5,448.

Estimated Average Annual Burden Per Respondent: The estimated average burden associated with the notice requirement is two minutes per respondent.

Estimated Number of Hours: 630,896.

3. Title: Customer identification programs for futures commission merchants and introducing brokers (31 CFR 1026.220).

OMB Control Number: 1506-0022.

Abstract: Futures commission merchants and introducing brokers are required to develop and maintain customer identification programs and provide their customers with notice of the programs. (See FR 68, 25149, May 9, 2003).

Current Action: There is no change to existing regulations.

Type of Review: Extension of a currently approved information collection.

Affected Public: Business and other for profit institutions.

Burden: Estimated Number of Respondents: 1856.

Estimated Average Annual Burden Per Respondent: The estimated average burden associated with the notice requirement is two minutes per respondent.

Estimated Number of Hours: 20,471.

4. Title: Customer identification programs for mutual funds (31 CFR 1024.220).

OMB Control Number: 1505-0033.

Abstract: Mutual funds are required to establish and maintain customer identification programs and provide their customers with notice of the programs. (See FR 68, 25131, May 9, 2003).

Current Action: There is no change to existing regulations.

Type of Review: Extension of a currently approved information collection.

Affected Public: Business and other for profit institutions.

Burden: Estimated Number of Respondents: 2,296.

Estimated Average Annual Burden Per Respondent: The estimated average burden associated with the notice requirement is 2 minutes per respondent.

Estimated Number of Hours: 266,700.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid control number assigned by the Office of Management and Budget. Records required to be retained under the BSA must be retained for five years. Generally, information collected pursuant to the BSA is confidential but may be shared as provided by law with regulatory and law enforcement authorities.

Request for Comments:

Comments submitted in response to this notice will be summarized and/or included in the request for OMB approval. All comments will become a matter of public record.

Comments are invited on: (a) whether the collection of information is necessary for the proper performance of the functions of the agency, including whether the information shall have practical utility; (b) the accuracy of the agency's estimate of the burden of the collection of information; (c) ways to enhance the quality, utility, and clarity of the information to be collected; (d) ways to minimize the burden of the collection of information on respondents, including through the use of automated collection techniques or other forms of information technology; and (e) estimates of capital or start-up costs and costs of operation, maintenance and purchase of services to provide information.

Dated: February 13, 2012

James H. Freis, Jr.
Director
Financial Crimes Enforcement Network

